

ENERGY STAR FOR HOSPITALITY



Presented by

John Lembo, LEED® AP
VP/Managing Director
The Ferreira Group, Inc.

January 7, 2009

- “Reducing energy use by 10 percent across the hospitality industry would save \$285 million.
- Strategic energy management can reduce costs and increase guest satisfaction.”

According to the Alliance to Save Energy, the lodging industry is the 4th most intensive user of energy in the commercial sector...

- Over 50 thousand hotels in North America
- 4.6 million hotel rooms
- Annual revenues of \$154 billion
- Estimated annual profits of \$33 billion
- Average occupancy rate of 63.2%
- Average hotel room rate of \$103.64



**\$7.3 billion was
spent on energy
in 2008**

Information obtained from Plunkett Research, Ltd.

According to the Alliance to Save Energy, the lodging industry is the 4th most intensive user of energy in the commercial sector...

- \$146K per hotel
- \$1,587 per available room per year
- \$4.35 per available room per day
or ~4% of RevPAR
- Equivalent to selling 1409 room nights



A 10% savings in energy is equivalent to selling 141 more room nights per hotel or increasing average daily room rate (ADR) by \$0.44



Categories

- ▣ **Commercial Real Estate**
- ▣ **Corporate Real Estate**
- ▣ **Healthcare**
- ▣ **Hospitality**
- ▣ **Industrial**
- ▣ **K-12**
- ▣ **Retail**
- ▣ **Small Business**
- ▣ **Congregations**
- ▣ **Service & Products Providers**
- ▣ **Utilities & Energy Efficiency Program Sponsors**



Facilities Labeled by Category

All Facility Types	6228	
All Buildings		6183
Bank/Financial Institution	72	
Courthouses	37	
Hospital (Acute Care, Children's)	80	
Hotel/Motel	370	
K-12	1417	
Medical Office	19	
Residence Hall/Dormitory	23	
Retail	179	
Supermarket/Grocery	1461	
Warehouse and Storage	26	
All Industrial Plants		45
Auto Assembly	15	
Cement	19	
Petroleum Refinery	8	
Wet Corn Milling	3	

6228 buildings in total have been labeled

- ▣ 370 Buildings in the Hospitality Sector have been labeled since April, 2002 when the Energy Star Building's program was extended to this industry ~ 62 hotels per year labeled
- ▣ This equates to 5.9% of all buildings labeled to date
Or
- ▣ Approximately 0.74% of all the hotels in the United States

Complexity of Business Model

- ▣ Transient Guest
- ▣ 24/7 operation
- ▣ Multitude of Business Units, e.g. residential, retail, business service, health & fitness, food & beverage
- ▣ Highly Competitive
- ▣ Aesthetics, Comfort and Compliance with Brand Standards are paramount issues
- ▣ Owner, versus, Manager, versus, Franchisee



Value of the Label

What's it worth? \$?

- Will the label help increase room nights sold? – “Put heads in beds?”
- Will the label help increase covers sold?
- Will the label help gain greater market share?
- Will the label help us reduce costs?
- Is achieving the label once, sufficient?
- Do I need the label to have a green hotel?
- Isn't benchmarking enough?
- If we commit can we have a plan to address all of our facilities?



It's Part of a Commitment!

Comprehensive Energy Management & Sustainability Includes...

- Supply Side
- Demand Side
- The Environment
- Reporting
- The Culture

Supply Side

Pay Less...

Cost of fuel, water and power reduced through...

- Utility bill auditing & tariff analysis
- Service upgrades
- Commodity management
- Combined heat & power
- Renewable Energy

Demand Side

Use Less....

Reduce the usage of energy through...

- Implementation of energy conservation measures such as lighting, HVAC, controls, etc.
- Enhanced operations and maintenance of equipment
- Test and install new technologies
- Continuous commissioning of systems
 - Retro-Commissioning
 - Re-Commissioning

Reporting

Track results...

Follow-up on progress through...

- Energy Information Systems
- Measurement & Verification
- Energy Dashboard for senior management
- Public Relations

The Environment

Greening up ...

Helping to save the environment by...

- Identifying your carbon footprint and plan to reduce it
- Green Meetings
- Carbon neutral stays for guests
- Improving indoor air quality
- Recognizing societal benefits
- Implementing recycling programs
- Join Energy Star
- LEED®



The Culture

Walk the walk...

Energy management is everyone's business...

- Departmental best practices
- Identify low cost/no cost measures
- Institute incentives for energy saving ideas
- Hotel-level energy committee/task force
- Continuous training and web-based information
- Energy workshops

**Energy Management is
Good Business!**

Q & A